

VA Regional Office
701 Clay
Waco, TX 76799

**Department of
Veterans Affairs**

**LOAN GUARANTY
BULLETIN**

November 1, 2000

#19-00

TO: All Fee Appraisers

SUBJ: Procedures for Making Department of Veterans Affairs (VA) Appraisals

1. The enclosed publication supersedes all previous instructions to VA fee appraisers. It is designed to provide instructions for making VA appraisals. Updates will be e-mailed to you as changes occur.
2. Please review this publication carefully. It incorporates the changes in our program since the last publication of "Procedures for Making VA Appraisals" was issued with Loan Guaranty Bulletin #7-00 dated March 9, 2000.
3. We expect VA fee appraisers to:
 - (a) Make **HIGH QUALITY** appraisals (which includes following all the instructions in this publication);
 - (b) Complete their reports **TIMELY**;
 - (c) Be **COURTEOUS** at all times; and
 - (d) **PERSONALLY** inspect all subjects inside and out and **PERSONALLY** observe at least the exterior of each comparable sale used. These four items are equally important to VA. Failure to comply with these or any other requirements of this publication will result in disciplinary action including permanent removal from our roster.
4. All appraisers must have an active access to the Internet Appraisal Assignment System at <http://vaas.vba.va.gov>, e-mail, and facsimile capabilities.

ANGELYN WILD

ANGELYN WILD
Loan Guaranty Officer

Enclosure

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1. ASSIGNMENTS

Assignments are made to fee appraisers on the VA roster on a rotating basis. VA will attempt to accommodate requests for reduced or increased rotation when possible. You should contact VA immediately if the need to temporarily restrict assignments occurs. Unless instructed otherwise, the assignments will be modified the next business day after VA receives notification.

2. VA INTERNET-BASED ASSIGNMENT SYSTEM (VAAS)

A. Log-In. To set up your account, log in as a new user at <http://vaas.vba.va.gov> indicating that your "User Type" is "Appraiser/Inspector", the Regional Office is Waco, Texas, and your ID is the identification number provided on your approval letter. You will receive a permanent logon ID like "XXNAMEXXXX" that will become your permanent user login ID. You will be prompted to provide a password that you create. If you lose your login ID, please contact our office.

B. Status Information. You can access status information and pending assignments at <http://vaas.vba.va.gov>. You can change status information, such as telephone number or address, but you should also e-mail our office at wacrocav@vba.va.gov to update our records.

C. Pending assignments.

(1) The pending assignment screen shows all assignments made to you that are considered "out for appraisal". You should not begin to perform an appraisal until the requester sends you all the information necessary to do the appraisal (i.e. plans and specs, VA Form 26-1805-1 request for assignment, a check if the lender is on cash only, etc.) The assignment date should be used to calculate the number of days the lender has to get the paperwork to you. This is necessary for cancellation of appraisal purposes described under our timeliness guidelines below.

(2) If the URAR is sent to VA, the assignment should drop off the pending assignment screen within 7 days. If not, please notify VA, because that indicates we did not receive your appraisal. Appraisals sent to the lender will not drop off for 90 days (or until we receive the Notice of Value from the lender.) You should periodically ask us to "purge" old cases from your pending screen when these assignments are more than 90 days old.

C. Removal from active assignments. If you have asked us to remove you from active assignments for vacation, illness, etc., you can return yourself to active status by changing the return to work date in the status section of the VAAS site.

3. TIMELINESS AND CANCELLATION POLICY

A. The standard for receipt of the appraisal report in our office or to the LAP lender is seven (7) calendar days from the date the appraiser receives the assignment. This 7-day standard applies to ALL assignments except Master (Committee) cases where the standard is 18 calendar days. If an appraiser is unable to complete an assignment within that time, the reason should be annotated prominently on the appraisal report. Reasons such as "unusual property, comparables hard to find," or "heavy

workload" are unacceptable. Continued tardiness without proper justification will result in limiting or withholding assignments or removal from the roster of approved appraisers. **The appraiser must show the date of receipt of the assignment just above the signature on all copies of the URAR. The 7-calendar-day standard begins on that date. The requester will receive a copy of the URAR reflecting the date of receipt reported.**

B. On origination appraisals, you should cancel any appraisal if the VA Form 26-1805-1 and exhibits are not furnished by the requester within five (5) days of the assignment date shown on the Pending Assignment screen in the VA Assignment System (VAAS). Facsimile requests are acceptable. On liquidation appraisals, you should cancel any appraisal request that is not ready to appraise within fifteen (15) calendar days from the date shown in VAAS. This includes vacant properties where access is required and assignments where a fee is required in advance. Failure to comply causes the appraisal to be untimely and will result in disciplinary action.

C. If, at any time, the workload becomes too heavy, you are ill, or you will be on vacation, etc., advise VA immediately so that no appraisals will be assigned to you. However, removal for prolonged periods may prevent VA's ability to automatically restore the active status of the appraiser upon request. Each request to be restored will be considered in light of VA's best interest and present need.

D. Reconsideration requests must be responded to within seven (7) days of receipt of the request. An appropriate fee may be charged for this service only when the market data upon which the request is based was not available at the time of the initial appraisal. The fee should be based on the amount of information the appraiser is required to develop and by agreement with the requester. When you respond to a reconsideration of value request, please submit a copy of the original request you received from the party of interest with your reply. VA needs a copy of the original request.

4. COURTESY

Fee appraisers on our roster are considered to be professionals and, as professionals, are expected to conduct themselves in a professional manner. Appraisers should be courteous to all program participants and the general public in the performance of their duties. Any valid evidence of discourtesy will be grounds for disciplinary action, including reprimand, suspension, or removal.

5. FEES AND MILEAGE

For the fee and mileage schedule, refer to the current Loan Guaranty Bulletin (Exhibit 3). Fees and mileage must be collected from the lender or individual who requested the appraisal. If the lender does not pay for the appraisal within 60 days, notify the VA office, in writing, for assistance. Include a copy of your bill, copy of the 26-1805-1, and a brief description of your collection efforts, including the name of the person(s) you have contacted for payment. No fee for mileage will be added to an appraisal fee unless specifically authorized by the Chief, Construction and Valuation Section.

You may require payment in advance if you can document for VA a regular, ongoing payment problem that is well outside of normal business practices and the party responsible for payment fails to reasonably respond to your written notice about the problem and its possible consequences.

6. CONFLICT OF INTEREST

There must be no conflict of interest in connection with VA appraisals. If an appraisal assignment involving a conflict of interest is received, please contact our office immediately to request reassignment.

7. USE OF ASSOCIATE APPRAISERS

A. In the reconciliation section of the URAR, there is a space for the appraiser to note his or her State license or certification number and to acknowledge the role of assistants in the appraisal process and cosigners of the appraisal report. An appraiser who has relied on significant professional assistance from any individual in the performance of the appraisal or the preparation of the appraisal report must name the individual *and the specific tasks* performed in the reconciliation section of the report.

B. VA is required by statute to maintain a list of appraisers who have been determined by VA to meet its qualification requirements and to assign appraisers on a rotation basis. VA fee appraisers must personally view both the interior and exterior of the subject property, the exterior of all of the comparables, and you are responsible for the selection and analysis of the comparables and the final value estimate. The VA fee appraiser cannot delegate these important functions to another, such as an assistant or another individual, even though that person may be licensed or certified. The individual who signs the URAR as the appraiser must be the VA panel fee member who was assigned on a rotational basis by VA. If the URAR is cosigned by an assistant, the VA fee appraiser must clearly specify the activities the assistant performed. Failure to comply with VA requirements in this area will constitute a basis for removal from the fee panel.

8. CHANGE OF ADDRESS/TELEPHONE NUMBERS/E-MAIL ADDRESS

Please advise VA immediately of any change. You should update the Internet assignment system on the date the change is made in the "Status" menu.

9. DIVULGING INFORMATION FROM APPRAISAL REPORT AND OTHER INQUIRIES

When information or assistance of any nature is requested, advise the requester to contact VA. The appraiser should not divulge information in his/her appraisal report to anyone other than VA staff or the Staff Appraisal Reviewer (SAR) approved for a lender allowed to process under the Lender Appraisal Processing Program (LAPP). Upon receipt of the report, VA may make changes or reject the property. Please be advised, however, that the Freedom of Information Act requires that an appraisal report will be made available to any party upon request and a copy of your report is sent to the requester along with our Certificate of Reasonable Value and to the veteran with the LAPP Notice of Value (NOV).

10. FLOOD MAPS AND FLOOD HAZARD AREAS

A. It is each appraiser's responsibility to obtain flood maps (Flood Insurance Rate Maps) for his/her particular area. The appraiser should also maintain a current "National Flood Insurance Program Community Status Book" for the State of Texas.

B. If an appraiser receives a request to appraise a property located in an area NOT PARTICIPATING in the Flood Insurance Program and the property is located in a designated special flood hazard area, DO NOT appraise the property. A property in a designated special flood hazard area is not eligible for a VA guaranteed loan unless flood insurance is available. Return the appraisal request to VA with this explanation.

11. SUBMISSION OF LISTINGS ON ORIGATION APPRAISALS

A. You must place a certification on the URAR stating relevant competitive listings or contract offerings have been considered in the performance of the appraisal. If time adjustments are made, or if a market transition is indicated in the Neighborhood Section of the URAR, the appraiser must also provide an addendum reporting at least three relevant competitive listings or contract offerings. If a stable market is indicated, the appraiser does not have to provide the listings.

B. Refer to paragraph 30 for instructions on liquidation appraisals. Competitive listings must be reported on all liquidation appraisals.

12. PROPERTIES NEAR AIRPORTS

A. If you believe a property is affected by its proximity to an airport, you should determine and report, if possible, the Composite Noise Rating (CNR) zone in which the property is located. If you are unable to determine the CNR zone, you should include in your report an opinion of the degree of airport influence. Your final estimate of value should take into account any loss of value attributable to airport proximity. Each comparable sale, if not under the same influence, should be properly adjusted. If, in your opinion, the influence is severe as to noise or actual danger, you should recommend rejection.

B. AIRPORT NOISE ZONES. The following chart classifies noise levels into a set of noise zones according to the most commonly used environmental noise descriptors:

<u>NOISE ZONE</u>	<u>CNR (Composite Noise Rating)</u>	<u>NEF (Noise Exposure Forecast)</u>	<u>DNL (Day/Night Average Sound Level)</u>
1	Under 100	Under 30	Under 65
2	100-115	30-40	65-75
3	Over 115	Over 40	Over 75

In addition to making determinations concerning the property's location in noise zones, it should also be determined whether the property is located in a runway clear zone, clear zone, or accident potential zone.

13. VALUING ACREAGE (FARMS)

The appraisal of properties with acreage should not present difficulties if a sufficient number of similar properties in the area were recently sold primarily for residential use. The valuation must not include livestock, crops or farm equipment and supplies. Installed facilities (such as, well, septic tank, etc.) serving the dwelling will be considered part of the dwelling when, in the opinion of the appraiser, such items contribute to the desirability and residential aspects of the property. Buildings other than the dwelling will be valued on the basis of the use of the property for residential purposes only.

14. PICTURES

A. Existing - A minimum of two pictures (different views) and a street scene are required for each major structure of an existing subject property. Please photograph all significant improvements and do not limit your photos to the dwelling only. Computer-generated photographs are acceptable.

Generally, anything that contributes \$3,000 or more should be photographed in addition to any adverse factors and significant repair items, such as foundation settlement, roof deterioration, etc.

B. Proposed - Where improvements have begun, only a front view picture is required.

C. Comparable sales for existing and proposed - a front view picture of each is required. Original photographs of comparable sales are preferred; however, copies of listing service photographs or similar advertising photographs will be accepted provided the copies are of high quality and provide a clear view of the property.

D. In those instances in which a picture of a subject cannot be obtained as required (most generally in liquidation appraisals), the appraiser must provide a written explanation on the appraisal report or addendum (e.g., obtaining a picture would require the photographer to trespass due to an extreme setback from the public road, or the property is obstructed by dense plantings and mature shrubbery).

15. CONTACT BETWEEN VA AND FEE APPRAISERS

A. Fee appraisers are required to have a telephone recording machine or office service available to receive telephone messages between the weekday hours of 8:00 a.m. and 5:00 p.m. Appraisers will be removed from the assignment roster if they are unable to be reached or a message cannot be left during these hours. Appraisers must also have an active facsimile number and e-mail address.

B. We appreciate the job you do for us and want to extend an invitation to you to call us to discuss any problems or concerns that you may have. A list of telephone numbers is included as Exhibit 2 of this release.

16. VA QUALITY REVIEW OF APPRAISAL REPORTS

The following statements represent areas/items which should cause the appraisal reviewer to question the fee appraiser's appraisal analysis and/or methodology. This is by no means intended to be an all-encompassing list which lessens or limits the importance of other considerations. It shall not be used as a checklist. In a number of instances, the comments represent those which have surfaced in Central Office reviews of field station cases, some of which resulted from Inspector General audits of the VA fee appraisal system. The areas/items are as follows:

A. Use of comparables over 6 months old must have an adequate explanation.

B. The description of the proximity of the comparable to the subject must be specific (i.e., 3 blocks north). In metropolitan or suburban areas, comparables normally should be located close to the subject, while in rural areas distances of several miles may be the norm. Comparables located outside of what would be considered the subject's market area must be fully explained by the fee appraiser.

C. Use of contract sales, unsettled sales, and listings in the Sales Comparison Analysis section of the appraisal report is generally not acceptable. VA will consider the use of such data in addition to closed sales to support the time adjustments and the reasoning process supporting the valuation determination. In any instance in which such "sales" are utilized, they must be clearly identified and their use fully explained.

D. Large individual and/or total net adjustments to the comparables should cause the reviewer to question if the fee appraiser selected proper comparables or has made individual adjustments according to cost or some factor other than market reaction to the item. Generally, the proper selection of comparables minimizes the size of individual adjustments and total net adjustments. In line with this, a wide range in comparable sales prices should also cause the reviewer to question the fee appraiser's comparable selection unless an adequate explanation has been provided.

E. Fee appraisers are required to provide pictures of the comparables employed in the Sales Comparison Analysis section of the appraisal report. Careful review of the pictures can reveal instances in which the appraiser should be questioned relative to comparable selection or other factors such as the failure to adjust for amenities readily visible in the picture (e.g., use of a brick 2-story in comparison to a frame 1-story subject or a comparable with a fireplace when the subject has none).

F. It is recognized that various sales or financing incentives may be offered by sellers, builders, or lenders. Examples of these incentives include interest rate buydowns, give-aways, or the inclusion of non-realty items into the transaction, closing costs customarily paid by the buyer, loan discount points and origination fees. The appraiser should consider and report the effects of such seller-paid incentives on the comparables utilized in the appraisal report when such information is available and ascertainable through reasonable investigation. It must also be recognized that the effect of creative financing or sales incentives on sales prices can vary in different locales. Adjustments as a rule would not be based upon a straight arithmetical dollar-for-dollar basis equal to the cost of the incentives to the seller. The amount of any adjustment should be based upon the general real estate market reaction to the incentive. In all instances the fee appraiser must explain the basis of any adjustment(s) for financing or sales incentives. An adjustment without an adequate explanation is not acceptable. Additionally, in proposed construction cases, the fee appraiser should generally consider closed sales, resales of similar properties, and sales of competing builders and other sellers in determining if adjustments for financing or sales incentives are appropriate.

G. Any finding that the fee appraiser's analysis is not based upon recognized appraisal practices and was intended to "accommodate" or "meet" the sale price will cause the appraisal report to be unacceptable. Evidence of the finding will result in disciplinary action, including reprimand, suspension, or removal

17. Electronic Transmission of Appraisals

A. VA intends to require electronic transmission of appraisal by VA fee personnel in FY2001.

B. The appraisal package will be in Portable Document Format (PDF) and attached to the fee appraiser's e-mail.

C. You must be able to provide a digital signature on every report. (It is optional for you to validate the digital signature.)

D. We encourage you to send reports electronically now. If the report is sent electronically, do not mail a hard copy to our office. The reports should be sent to wacrocav@vba.va.gov and the file should be titled using the loan number in this format: 49-X-0XXXXXX.

18. PLANNED UNIT DEVELOPMENTS (PUDs) AND HOME OWNERS ASSOCIATIONS

Please show in the PUD section of the URAR if a property is or may be subject to a mandatory membership in a homeowner's association and/or if it is located in a Condominium or a Planned Unit Development. Advise the current monthly assessment amount in the appropriate place on the URAR. Also, compare common elements between comparables and adjust accordingly. (NOTE: See Paragraph 31 for detailed instructions on Condominium Appraisals.) VA no longer approves PUDs and PUD Identification numbers will not be issued. It is the lender's responsibility to assure the lien is superior to the homeowners association lien and that the PUD meets all VA title requirements.

19. COMMON (PARTY) WALLS

If the property appraised has a wall common with an adjoining property, such as row type housing, one-half of a duplex, one-fourth of a quadruplex, etc., please annotate this condition on your report. (Refer to the Minimum Property Requirements, Paragraph 26B, regarding party or lot line wall.)

20. ZERO LOT LINES

Each living unit must be one that can be used and maintained individually without trespass upon adjoining properties. If you appraise a dwelling that is constructed at or near the lot line, please advise us so that we may require an easement from the adjoining owner for access to maintain and repair the subject.

21. FINAL ESTIMATE OF VALUE

Normally, for a single family dwelling, the final estimate of value should agree with the market approach. The market approach should be within the indicated value range of comparable sales. An explanation must be furnished in any case where the market approach value and final value differ. Only sales which have actually closed within the past 6 MONTHS should be used as comparables, otherwise an explanation must be furnished.

22. APPRAISALS WITH 2-4 LIVING UNITS

Effective January 1, 2001, if the appraisal relates to a property having two, three, or four living units, it must be completed on Freddie Mac Form 72/Fannie Mae Form 1025, Small Residential Income Property Appraisal Report.

23. CONTRACTUAL ITEMS AND VALUING EASILY REMOVABLE AND/OR BUILT-IN EQUIPMENT, APPLIANCES, OR DEVICES

A. Items which should not be considered in the appraisal report include drapes, curtains, most above-ground swimming pools, blenders, mixers, radio or TV antennas, automatic roasting and barbecue equipment for fireplaces, furniture, and area rugs.

B. Items which may be included and valued are built-in ranges and ovens, range hoods, dishwashers, garbage-disposals, permanent in-ground swimming pools and related permanent equipment, yard sprinkler

systems, wall-to-wall carpeting, smoke detectors and/or overheating warning systems, air conditioning units built into the wall, intercoms, garage door openers, yard lights, fences, satellite dishes if permanently affixed, and, upon request, ranges, refrigerators, washers, and dryers that are free-standing. The fee appraiser must identify the easily removable and/or built-in equipment items which were included in the appraised value.

C. Fee appraisers are prohibited from appraising a property subject to contractual repairs or items. If the appraiser views contractual repairs in progress during the inspection of the property, it is acceptable to note the contributory value of the item(s) being installed. This should be noted on an addendum to the URAR. The appraised value ***should not*** include the value for the contractual items.

EXAMPLE: When the fee appraiser inspects the property, new carpet and pad are stored in the kitchen and the carpet in one bedroom is being removed. The contract calls for re-carpeting of the entire house. The appraiser should appraise the property in its "as is" condition, subject to any MPR repairs required. This value will appear in the reconciliation section of the appraisal. On an addendum, the appraiser reports "Contract requires installation of new carpet throughout house. New carpet and pad installation was in progress at the time of my inspection. When installed, the contributory value would be \$2,500."

It will be necessary for the lender to request an increase in value in writing to receive value for contractual items. This will be processed by VA as a reconsideration of value. VA will require an inspection to certify the installation or addition of these items if value is added.

You are not otherwise required to provide contributory value estimates for contractual items of the addendum to the URAR.

24. LEAD-BASED PAINT

A. Lead-based paint constitutes an immediate hazard that must be corrected, unless testing shows that lead is not present in the paint at a level above that permitted by law. Repairs required due to lead based paint **MUST** be inspected by a VA fee appraiser. The lender cannot clear the repair inspection requirement.

B. You must:

(1) assume that a defective paint condition (involving cracking, scaling, chipping, peeling, or loose paint) on any interior or exterior surface of properties built prior to 1978 involves lead-based paint that exceed the percentage of lead permitted by law.

(2) Clearly identify the location of the conditions, and

(3) Recommend correction.

C. Any defective paint condition identified must receive adequate treatment to prevent the ingestion of contaminated paint. Either

(1) the surface requiring treatment must be thoroughly washed, scraped, wirebrushed or otherwise cleaned to remove all cracking, scaling, peeling, chipping and loose paint and then repainted with two coats of a suitable nonleaded paint, or

(2) the paint must be completely removed or the surface covered with a suitable material such as gypsum wallboard, plywood or plaster before any painting is undertaken if the paint film integrity of the surface needing treatment cannot be maintained.

25. APPRAISAL OF EXISTING PROPERTIES FOR LOAN ORIGINATION

IMPORTANT - See Paragraph 26 for VA's Minimum Property Requirements for existing construction.

A. Definition. Generally, a property must have been completed and ready for occupancy for at least one year to be eligible for a VA loan as an existing property. It is therefore important to show the correct age on your report. Dwellings which have been "moved in" must have been on their permanent foundation for at least one year. Exceptions are VA approved 10-year insured warranty plans or a 1-year VA builder warranty (see paragraph 27).

B. Repairs. Only repairs necessary to make the property conform to the Minimum Property Requirements (MPR) for Existing Construction should be shown in your report. Pre-printed specification forms, check lists, etc., should not be used. Contractual non-MPR repairs, cosmetic repairs, or repairs that enhance the attractiveness are not to be shown or considered. Each necessary repair should be expressed in a brief, declarative way. The estimated cost **must** be itemized for each repair shown.

C. Technical Expertise. The appraiser must be alert and observant when appraising existing properties, especially older structures. If conditions are noted which substantially affect the livability, complete the appraisal and recommend rejection for failure to comply with the Minimum Property Requirements for Existing Construction and describe the condition which prompted your decision. Recommendations for certification of roofing, heating, plumbing, and electrical systems are unacceptable. If conditions are observed which raise doubts that can be resolved only by a technical expert, the observations should be included in your report. It is recognized that most fee appraisers are not engineers, plumbers, or electricians; however, they are trained and observant professionals, and VA must rely heavily on their judgment and recommendations.

D. Repair Inspections. When the appraiser is requested to make a repair inspection, **a copy of the Certificate of Reasonable Value or Notice of Value must be obtained from the lender.** The CRV/NOV will specify the repairs required by VA. These repairs may differ from those recommended on your appraisal report. After inspection of the repairs, advise the lender by letter that "All CRV repair requirements have been properly completed" or list the items which have not been properly completed. An inspection fee may be collected from the requester (see current Loan Guaranty Bulletin for amount.) If the lender requests the inspection, the appraiser should bill the lender direct. If requested to make the inspection by other than the lender, the inspector should collect the inspection fee prior to or at the time of inspection.

E. Economic Life. The remaining economic life should be carefully considered and stated in the cost

approach section of the URAR. If the estimate is less than 40 years, an explanation should be given such as "area changing to industrial or commercial", "50-year-old property in poor condition," etc. If the estimate is less than 20 years, complete documentation must be included with the report to support the estimate. Such conclusions may be based on known economic factors or on observed physical conditions.

F. Documents Required For Submission of the Appraisal. Three sets of the original appraisal must be submitted to VA or the LAPP lender in the following order, well secured with brackets or heavy duty staples (no hard copies are required if the appraisal is transmitted by e-mail):

- VA Form 26-1805-1, Request for Determination of Reasonable Value
- Original URAR and Statement of Limiting Conditions (Substitute the Individual Condominium Unit Appraisal Report if the property is a condominium unit or the Small Residential Income Property Appraisal Report if the property has one to four living units)
- Information on listings or competitive offers (when required)
- Original pictures of subject and comparables (see paragraph 14)
- Original location map identifying subject and comparables
- Perimeter building sketch if not provided on the URAR
- Any additional data, explanations, addenda, or exhibits

26. MINIMUM PROPERTY REQUIREMENTS FOR EXISTING CONSTRUCTION

These requirements for existing housing, together with appropriate administrative rules and regulations, prescribe the basic qualifications necessary for eligibility of existing properties.

A. Real Estate Entity. The property shall comprise a single plot except that a primary plot with secondary plot for an appurtenant garage or for other use essential to the marketability of the property may be acceptable provided the two plots are in such proximity as to comprise a readily marketable real estate entity.

B. Party or Lot Line Wall. A building constructed on or to a property line shall be separated from the adjoining building, or from the adjoining lot, by a party or lot line wall. Party or lot line walls shall extend the full height of the building.

C. Services and facilities.

(1) Trespass. Each living unit shall be one that can be used and maintained individually without trespass upon adjoining properties. Any easements granted shall run with the land to protect future owners.

(2) Utilities. Utilities shall be independent for each living unit except that common services, such as water, sewer, gas, and electricity may be provided for living units under a single mortgage or ownership. Separate utility service shut-offs for each unit shall be provided. For living units under separate ownership, common utility services may be provided from the main to the building line when protected by easement or covenant and maintenance agreement acceptable to VA. Individual utilities serving a living unit shall not pass over, or under, or through another living unit, unless provision is made for repair and maintenance of utilities

without trespass on adjoining properties or legal provision is made for permanent right of access for maintenance and repair of utilities.

(3) Other Facilities. Other facilities shall be independent for each living unit, except that common services, such as laundry and storage space or heating, may be provided for several living units under a single mortgage.

D. Required Provisions

(1) Each living unit shall contain each of the following:

- a. A continuing supply of safe and potable water;
- b. Sanitary facilities and a safe method of sewage disposal;
- c. Heating adequate for healthful and comfortable living conditions; (Field stations may determine that climatic conditions are such that mechanical heating is not required.)
- d. Dwellings with wood burning stoves or solar systems used as a primary heat source must have permanently installed conventional heating systems that maintain at least 50 degrees Fahrenheit in areas containing plumbing systems;
- e. Domestic hot water;
- f. Electricity for lighting and for equipment used in the living unit.

(2) When individual water supply and sewage disposal systems apply, the following shall be required:

- a. Water quality shall meet the requirements of the health authority having jurisdiction. If the local health authority having jurisdiction does not have specific requirements, the maximum contaminant levels established by the EPA (Environmental Protection Agency) shall apply.
- b. If the authority is unable to perform the water quality analysis in a timely manner, a private, commercial testing laboratory or a licensed sanitary engineer acceptable to the authority may take and test water samples.
- c. Each living unit shall be provided with a water-carried sewage disposal system adequate to dispose of all domestic wastes in a manner which will not create a nuisance, or in any way endanger the public health.
- d. Individual pit privies are permitted where such facilities are customary and are the only feasible means of waste disposal, provided they are installed in accordance with the recommendations of the local Department of Health or, in the absence of such recommendations, with the requirements of the U.S. Public Health Service publication, "Individual Sewage - Disposal Systems."

e. Whenever feasible, connection must be made to a public or community water/sewage disposal system.

f. Health authority approval of a sewage disposal system is not required unless the appraiser indicates on the report that a problem is identified, or that the area is known to have soil percolation problems.

E. Nonresidential Use - Design Limitations

(1) Any nonresidential use of the property shall be subordinate to its residential use and character. A property, any portion of which is designed or used for nonresidential purposes, is eligible only if the type or extent of the nonresidential use does not impair the residential character of the property.

(2) Areas designed or used for nonresidential purposes shall not exceed 25 percent of the total floor area. Storage areas or similar spaces which are integral parts of the nonresidential portion shall be included in the total nonresidential area.

F. Access - Streets

(1) Each property shall be provided with vehicular or pedestrian access from a public or private street.

(2) All streets must have an all-weather surface.

(3) Private streets must be protected by permanent easements and maintained by homeowners association or joint maintenance agreement. Provisions for continued maintenance must include a safe and suitable vehicular access to and from the property at all times.

G. Access to the Living Unit. A means of access to each living unit shall be provided without passing through any other living unit.

H. Access to the Rear Yard

(1) Access to the rear yard shall be provided without passing through any other living unit.

(2) For a row type dwelling, the access may be by means of alley, easement, passage through the dwelling, or other acceptable means.

I. Defective Conditions. Existing or partially completed construction which indicates defective construction, poor workmanship, evidence of continuing settlement, excessive dampness, leakage, decay, termites, or other conditions impairing the safety or sanitation of the dwelling shall render the property unacceptable until the defects or conditions have been remedied and the probability of further damage eliminated.

J. Space Requirements. Each living unit shall be provided with space necessary to assure suitable living, sleeping, cooking and dining accommodations, and sanitary facilities.

K. Mechanical Systems. Mechanical systems shall assure safety of operation, be protected from destructive elements, have reasonable durability and economy, and have adequate capacity and quality.

L. Ventilation. Natural ventilation of structural spaces, such as attics and crawl spaces, will be provided to reduce the effect of conditions which are conducive to decay and deterioration of the structure.

M. Roof Covering. Roof covering must prevent entrance of moisture and provide reasonable future utility, durability, and economy of maintenance. When a defective roof with three or more layers of shingles must be replaced, all old shingles must first be removed.

N. Hazards. The property shall be free of hazards which may adversely affect the health and safety of the occupants or the structural soundness of the improvements, or which may impair the customary use and enjoyment of the property by occupants. The hazards can be subsidence, flood, erosion, defective lead base paint, or the like.

O. Crawl Space. In order to ensure against conditions which could cause deterioration to the building and seriously affect the marketability of the property, it is required that:

(1) There must be adequate access to the crawl space;

(2) The floor joists must be sufficiently above the highest level of the ground to provide access for maintenance and repair of duct work and plumbing;

(3) The crawl space must be clear of all debris and properly vented;

(4) Any excessive dampness or ponding of water in the crawl space must be corrected.

P. Drainage. The site must be graded so as to provide positive, rapid drainage away from the perimeter walls of the dwelling and prevent ponding of water on the site.

Q. High-Pressure Gas and Liquid Petroleum Transmission Lines. No part of any residential structure can be located within the pipeline easement. Any detached improvements which are in, or partially in, the pipeline easement will not receive value in the appraisal process and in the reasonable value determination.

R. High Voltage Electric Transmission Lines. No dwelling or other improvement which may become the security for a VA guaranteed loan can be located within the transmission line easement. Any detached improvements which are in, or partially in, a high voltage electric transmission line easement will not receive value in the appraisal process and in the reasonable value determination.

S. Non-MPR Items

Fee appraisers should not make requirements for cosmetic items or conditions that are not considered to be VA

MPRs. Examples of requirements which will be deleted from your report are:

Repair torn carpet, replace missing light globes, replace door to master bedroom and finish to match other doors, replace missing track assembly on folding closet door, replace broken ceramic tile in hall bathroom, repair or replace inoperative garbage disposal, shampoo and restretch carpet, treat yard for fire ants, replace tub stopper and medicine cabinet, replace range, clean and service cooktop and dishwasher, repair sheetrock cracks, repair holes in wall and seal wallpaper, replace doorbell switch, replace closet doors, repair to meet code requirements, etc.

Code requirements are not required by VA MPRs. It is not appropriate to require elevation of water heater, installation of P&T valves, or "to repair electric to code". If you observe a specific condition, such as bare wires, you should require repair of that condition only.

If the appraiser determines a repair is needed to render the property safe, sound, or sanitary, a full explanation of the condition must be provided on the appraisal report.

T. Unvented Space Heaters

Fee appraisers must report (under "Condition of the improvements..." in the "Comments" section of the URAR) any permanently installed, or to be installed, unvented fireplace or other unvented space heater that uses liquid or gaseous fuel.

The CRV/NOV will be conditioned to require the veteran purchaser's written acknowledgment that the dwelling contains an unvented fireplace or space heater that has not been inspected by VA, and a written heating/air conditioning contractor statement that verifies that the unvented appliance is equipped with an approved Oxygen Depletion Sensor, and meets local building authority requirements or is installed according to the manufacturer's recommendations if there are no local requirements.

U. Local Housing/Planning Authority Code Enforcement

If the property is existing construction which is located in an area where specific local housing/planning authority code requirements are enforced in conjunction with the sale of homes, the appraiser's report must take this into consideration.

27. HUD APPROVED 10-YEAR INSURED WARRANTY PLANS/CUSTOMER PREFERENCE DEFINITION

A. Existing cases under a HUD approved 10-year insured warranty plan. A newly completed property (less than 1 year old) that was not built under HUD or FHA compliance inspections is eligible provided it will be covered by a VA approved 10-year insured warranty program or a 1-year VA builder warranty. The property must be completed at least to the customer preference stage.

(1) Customer preference items include ranges, dishwasher, disposers, interior paint, wall paneling and paneling trim, counter tops, sinks and lavatories that cannot be installed until the countertop is installed, tile, carpeting and floor covering in those rooms where floor covering does not butt floor-mounted toilets, wallpaper,

light fixtures, and air conditioner compressors. Fences, insulation and final grade are also considered customer preference items. These are examples only. Use your judgment to determine if the home is sufficiently complete to allow the appraisal to be made.

(2) Items that are not considered to be customer preference items include central heating and air conditioning systems (except compressors), bath tubs, toilets, showers, water heaters, kitchen cabinets and cabinet finish, interior woodwork except wall paneling, exterior siding, garage doors, and roofing, or any earlier stage construction such as framing, windows, rough electrical, and rough plumbing. Driveways and walk paths to the property should be completed at customer preference stage.

(3) When customer preference items are not installed, value should be predicated on completion of the deferred items. Installation of these items should be listed as a requirement on your report, similar to the way repairs are required on a previously occupied home. Otherwise the appraisal should be completed as any other existing property. All items given value in the appraisal report and any Minimum Property Requirements for Existing Construction should be shown.

B. Proposed cases under a HUD approved 10-year insured warranty plan. Appraisals may be requested before construction begins or during any stage of the construction under the proposed HUD approved 10-year insured warranty plan. The appraisal should be based on the plans and specifications furnished to you. Any differences noted at the time of the appraisal between the plans and specifications and any construction in progress should be noted on the appraisal report.

28. PROPOSED CONSTRUCTION

A. Date of appraised value. The appraised value must be as of the date of the appraisal and **not** the projected date of construction completion.

B. Appraisal of plans and specifications ONLY. Appraisals for proposed construction cases **must** be made from the plans and specifications. **ONLY** those features incorporated in the plans and specifications are to be considered in the estimate of reasonable value. The fee appraiser should **NEVER** consider any other source. Influences such as sales contracts, verbal input by builders, lenders, or REALTORS, items of equipment listed on VA Form 26-1805-1, Request for Determination of Reasonable Value, etc., should **NOT** be considered in the appraisal process. When appraising a property under construction on a proposed assignment, items that are not in the plans and specifications are not to be included in value. Please note these discrepancies in your appraisal report.

C. Square footage calculation. The dimensions shown on the plans should be used for computing size instead of accepting the square footage often shown on the plans at face value.

D. Scope. The appraiser must inspect the proposed site to determine the estimated land value, to determine if the site is acceptable, and to determine if there are any detrimental influences on or near the site.

E. URAR Endorsement Certification by Appraiser. The appraiser **must** endorse the appraisal report on all proposed construction with the following certification:

"I hereby certify that the information contained in the exhibits identified herein has been employed in arriving at the estimate of reasonable value noted in this report."

(identity of plans, specifications, and other exhibits)

Signature

The plans and specifications must be submitted to VA or the LAP lender along with the appraisal report. The certification for proposed construction is required even if you believe construction is complete.

F. High-Pressured Gas and Liquid Petroleum Transmission Lines. No part of any residential structure can be located within the pipeline easement. Any detached improvements which are in, or partially in, the pipeline easement will not receive value in the appraisal process.

G. High Voltage Electric Transmission Lines. No dwelling or other improvement which may become the security for a VA guaranteed loan can be located within the transmission line easement. Any detached improvements which are in, or partially in, a high voltage electric transmission line easement will not receive value in the appraisal process.

H. Documents Required for Submission of Appraisal. Three sets of the original appraisal must be submitted to the VA or LAPP lender in the following order, well secured with brackets, heavy duty staples, or strong rubber bands (no hard copies are required if the appraisal is transmitted by e-mail):

- VA Form 26-1805-1, Request for Determination of Reasonable Value
- Original URAR and Statement of Limiting Conditions and Appraisers Certification (Substitute the Individual Condominium Unit Appraisal Report if the property is a condominium unit or the Small Residential Income Property Appraisal Report if the property has one to four living units)
- Information on listings or competitive offerings (when required)
- Picture of subject and comparables (see paragraph 14)
- Original location map identifying subject and comparables
- Any additional data, explanation, addenda, or exhibits
- The plans and specifications received with the request, including one set marked "VA FILE COPY" to indicate the set used by the fee appraiser if more than one set of plans and specifications was received.

29. MASTER APPRAISALS

A. Timeliness. Master appraisals cannot be processed by a LAP lender and must be received by VA within 18 days from the date the appraisal assignment is received from the requester.

B. Narrative Report Requirements. A complete narrative report in accordance with accepted appraisal technique is required on master appraisals. The narrative analysis should include, but not be limited to:

- (1) Location of development and neighborhood analysis
- (2) Topography, drainage, and general environment
- (3) Facilities - Schools, churches, shopping, employment, recreation, and transportation
- (4) Utilities
- (5) Zoning and Restrictions
- (6) Hazards
- (7) Cost Approach - Detailed description of cost approach, including source of data

(8) Land Value - Market data supporting final estimate of land value. If land sales are not available, the principle of abstraction may be used. Land value should be determined without regard to improvements such as landscaping, walks, and drives. These improvements should be valued separately.

(9) Planned Unit Development - If the appraisal applies to a PUD or a subdivision with a mandatory Homeowners Association, comment must be made concerning the legal documents, the common area, and any improvements.

(10) Market Analysis and Conclusions - A thorough analysis of current market data as it applies to this development. Sales in the subject development as well as adjoining development should be analyzed.

(11) Photographs - Photos of conditions as found during your appraisal are helpful to the appraisal reviewer.

C. Model Homes. Valuation should be based on the plans and specifications submitted by the builder. Model homes are not reliable for determining typical value.

D. Lot Values. A complete lot listing must be submitted with the appraisal report, including land values for each lot.

E. Optional Items. The appraiser should provide an opinion of contributory value for optional items which warrant such value if optional items are submitted by the builder.

F. Certification. The appraiser must identify and provide a certification listing those exhibits used in arriving at the value conclusion.

G. Report Submission. An original and two copies of the URAR should be submitted for each basic house type. The estimate of value should include a value for the BASIC LOT.

30. LIQUIDATION APPRAISAL PROCEDURES (REAL ESTATE)
(Not Applicable to Mobile Home Loans)

A. "As-Is" Condition. All liquidation appraisals will be performed considering the subject property in its present "AS IS" condition. "AS IS" means that the property is considered as it presently stands with whatever physical inadequacies that exist, if any. Furthermore, the term "as is" does not imply that the property is necessarily in a poor state of repair. A property that is in a good state of repair with no physical inadequacies is also considered "as is." Fee appraisers are to make appropriate adjustments in the sales comparison analysis reflecting those repairs and physical inadequacies (**both MPR and non-MPR, or cosmetic**) present in the subject property at the time of the appraisal which would be considered necessary, and affect value, by the general real estate market and typical buyer.

B. Required Liquidation Addendum (Exhibit 1). Using Exhibit 1 of these instructions, the fee appraiser will provide an itemized list of all repairs (MPR and non-MPR, or cosmetic) considered necessary and which affect the marketability of the property. The itemized list will indicate the estimated cost to cure and the contributory value, if any, of each repair. (In estimating the contributory value, it should be recognized that cost does not always equal value and that in some cases several individual repair items must be considered in the aggregate before they are recognized by the general real estate market as contributing to value.) Fee appraisers must provide this information, and the required supplemental information (see paragraphs (1) through (5) below) on an addendum to the URAR (Uniform Residential Appraisal Report). Exhibit 1 is the required format for providing the itemized repair information.

(1) In every foreclosure case, the additional information required must be provided in the exact format as shown on the attached addendum. We suggest you reproduce and use the attached format on Exhibit 1 with each foreclosure case.

(2) A list and cost estimate of any emergency repairs required or other repairs necessary to preserve or protect the property from vandalism or extreme weather conditions;

(3) If vacant, recommendations for draining the heating and plumbing systems, shutting off power lines, and locking doors and windows;

(4) If occupied, the occupant's name, period of occupancy, lease terms and expiration date, monthly rental, dates of payment, and to whom payable;

(5) A minimum of two different photographic views of each major structure and street scene.

C. Steerage of Comparables on Liquidation Appraisals. In considering the subject property in its observed "**as is**" condition, you must select your comparables from the best available in the subject's market area considering the typical transaction and actions of the typical buyer and seller. You must not restrict

yourself solely to comparables that are also in "as is" condition in the subject's neighborhood or move to other locations for "as is" comparables when by doing so you ignore valid sales data immediate to the subject which, with adjustment(s) are valid indicators of value. Such "steerage" is not intended and is not acceptable. Use your professional judgment in selecting the best comparables available that represent the typical transaction in the subject's competing market area.

D. Competitive Listing Requirements. For all liquidation appraisal cases, in addition to the three closed sales on the appraisal report form, you must provide information on at least three competitive listings or contract offerings considered the most similar and proximate to the subject property and certain general market information as specified below. This information is intended to lend additional support to the value estimate and assist us in evaluating competing market conditions and trends affecting the subject property (especially in areas that are experiencing significant market fluctuation, negative or positive). It is also intended to assist in ensuring that you are rationalizing the closed sales data with current market conditions. The following information is required and will be provided on an addendum to the appraisal report. (EXHIBIT 1 IS A MANDATORY ADDENDUM PROVIDING THE REQUIRED INFORMATION.)

(1) Competitive Listing or Contract Offering Information. (A clear readable copy of an MLS or listing data source card is acceptable for items (a) through (f) and (i)).

- a. Property address;
- b. Proximity to subject;
- c. Design (Style);
- d. Total rooms, bedrooms, baths, and approximate gross living area;
- e. Age (years);
- f. Current listing price;
- g. How long on market (total time listed);
- h. Changes in listing price (if known);
- i. Contract amount (if known); and
- j. Short statement as to how this property compares to the subject.

(2) General Market Information

a. Average length of listing time to sale in subject's competing market area. (Indicate if it is expanding or decreasing and to what extent.)

b. Average listing price to sale price ratio. (Appraiser will use professional judgment to estimate the ratio if it cannot be determined from available data sources.)

E. Interior Access to Properties

(1) Interior access to the property is important in the liquidation appraisal process in ensuring that a proper appraisal has been performed considering all existing conditions of the subject property in comparison with the comparable sales used in the sales comparison analysis.

(2) In the case of occupied properties, the lender/holder/servicer is required to provide to the appraiser known contact information about the property occupants. The requester should provide the name and the telephone number of the current or last known occupants. Appraisers are required to make diligent efforts to gain access to occupied properties.

a. For occupied properties, an exterior appraisal may be performed only when:

1. The appraiser has permanently been refused entry by the owner or occupants; or,
2. Access is considered by the appraiser to present a hazard; or,
3. The appraiser has made three appointments, all of which have been broken; or,
4. Three or more attempts to call an active number(s) provided with the liquidation appraisal request have resulted in no access. (Calling a disconnected phone, calling directory assistance, or similar attempts are not considered attempts to call an active number.)

Document the addendum to the appraisal report with the exact reason(s) for not gaining access, including the names, dates, and telephone numbers of the individuals called in attempting to gain access. In these cases, the appraiser will make reasonably founded assumptions about the interior conditions of the property as they relate to physical inadequacies or needed repairs (both MPR and non-MPR, or cosmetic) that impact on value. The appraiser will also make reasonable efforts to verify the interior conditions of the subject property (e.g., through MLS or other listing data sources, property assessment records, interviews with neighbors or others knowledgeable with the property, or any other available means).

b. For vacant properties, exterior appraisals are not permitted. If access is not made available to you within 15 days, the appraisal should be canceled and the requester should be billed for services rendered. The requester will then be required to order a new liquidation appraisal through our rotational assignment system. Delays in obtaining access to vacant properties must be well documented on the appraisal report and will be considered excusable delays.

c. VA accepts use of the departure provision to the Uniform Standards of Professional Appraisal Practice on liquidation appraisal reports in which the appraiser was either denied or unable to gain access to the subject property. Certification item 8 may be altered to reflect this fact.

F. Refunding Appraisals. Lenders have been advised to notify fee appraisers if the liquidation appraisal is being made on a loan being considered for REFUNDING by VA. Interior inspection of properties considered for refunding is required. Fee appraisers should contact our office if access is delayed or denied. (Refer to Exhibit 2 for Telephone Contact.)

G. Timeliness Standards. The time standard for receipt of liquidation appraisals in our office is seven (7) calendar days from the date the appraiser receives the assignments. The appraiser is allowed additional time for access difficulties, provided they are well documented on the appraisal report.

G. Servicer Loss Mitigation Program. The Servicer Loss Mitigation Program (SLMP) is designed to streamline the processing of compromise (short) sales by allowing loan servicers to approve this alternative to foreclosure on VA's behalf. A request for appraisal under SLMP should be handled like a VA liquidation

appraisal. If the appraisal request clearly indicates that the appraisal is being ordered in connection with a SLMP compromise sale and that it will be reviewed by the servicer, two original appraisals should be sent directly to their office and a copy should be sent to VA. Interior access to the property is required for all loss mitigation cases.

H. Documents Required for Submission of Appraisal Three originals of the appraisal must be submitted to VA (for SLMP cases, send 2 originals to the requester and one to VA) in the following order, well secured with brackets or heavy duty staples (no hard copies are required if the appraisal is transmitted by e-mail):

- VA Form 26-1805-1, Request for Determination of Reasonable Value (if one was received)
- Original URAR and Statement of Limiting Conditions and Appraisers Certification (Substitute the Individual Condominium Unit Appraisal Report if the property is a condominium unit or the Small Residential Income Property Appraisal Report if the property has one to four living units)
- VA Liquidation Appraisal Addendum (see Exhibit 1)
- Information on Listings (if supplemental to the Addendum)
- Pictures of subject and comparables
- Original location map identifying subject and comparables
- Perimeter building sketch if not provided on the URAR
- Any additional data, explanations, addenda, or exhibits

I. For Manufactured Housing Foreclosure Appraisals, refer to paragraph 32.

J. Vendee Appraisals. The loan servicing of VA-acquired properties was outsourced in 1997. The servicer is Seasons Mortgage Group. VA oversight for their activity is handled by Portfolio Loan Oversight Unit (PLOU) at the VA Regional Office in Indianapolis. When a liquidation appraisal is required on a vendee loan, the appraisal request will be made through the VAAS system by a loan representative at the Indianapolis office. The requester will be shown as Seasons Mortgage Group. These appraisals should be treated like standard liquidation appraisals and submitted to the VA office for underwriting. You should submit an invoice for payment with the appraisal report. You are permitted to use your own invoice form for billing purposes on these loans and will be paid by treasury check directly from VA.

Occasionally, Seasons Mortgage may request exterior only appraisal for the purpose of pursuing a lift stay on a bankruptcy. Those requests should also be sent to VA, who will underwrite the appraisal and send a copy of your report and bill to Seasons for payment.

31. VA CONDOMINIUM PROGRAM

A. Condominium appraisals must be completed on the Individual Condominium Unit Appraisal Report, Freddie Mac Form 465/Fannie Mae Form 1073.

B. At the time of assignment, the appraiser will contact the Homeowners Association (HOA) to review the organizational documents of the project. These documents must be considered in conjunction with findings

appraiser is unable to view the documents, contact should be made with VA. VA will forward its project file to the appraiser. This file must be returned to VA with the appraisal report.

C. Proposed Projects - Master (Committee) Procedure

(1) Fee appraisers must furnish the appraisal report and a narrative report which will include the following items:

- a. Number of units in the condominium. (To be determined from declaration.)
- b. Comments on the project:
 1. Location;
 2. Access to transportation facilities;
 3. Market characteristics;
 4. Construction (describe);
 5. Common Elements (describe amenity facilities).
- c. Market Analysis (to include competitive projects).
- d. Indicate whether the subject condominium building is part of phased project, and, if so, note the stage of the expansive process.
- e. Percentage of ownership interest. Indicate whether such interests are or are not equitable (to be determined by examination of Percentage of Ownership Interest Schedule). Typical methods for calculating the ownership interests for purposes of the schedule are as follows:
 1. The ratio of one unit to the total number of units in the condominium project;
 2. The ratio of the value of one unit to the total value of the condominium;
 3. The square-foot area of the individual unit compared to the total net saleable area of all units.
- f. Automobile Parking Rights. (Indicate ratio of parking spaces to units in the condominium, and type of ownership interest, if any, of condominium owners, i.e., condominium fee ownership, part of common elements, rented, etc.)
- g. Indicate the non-dwelling unit ownership interests (as applicable) and analyze value consequences, if any, on dwelling unit interests (e.g., commercial entities).
- h. Analysis of Proposed Budget (including adequacy of reserves for maintenance costs and replacement purposes for common elements, if applicable).
- i. Analysis of Proposed Monthly Assessment. Fee appraisers will indicate whether or not the monthly fee is adequate, bearing in mind that estimated fees are often understated. When monthly fees are inadequate, fee appraisers shall furnish an adjusted estimate based on a "market" fee.
- j. Identification of benchmark unit selected for each plan type and explanation of value differentials; e.g., "Plan A - Benchmark Value - \$20,000, all Plan A's on north side of building, floors 1 through 5, plus \$500, floors 6 through 10, plus \$1,000," etc. (See subparagraph 2a below).

(2) Valuation of Units

a. High Rise and Low Rise Projects. Appraisers shall complete an appraisal report for each plan type, using only the market or comparison approach to value to determine the final estimate of reasonable value. For this purpose, a "benchmark" unit, one which is most representative in location of all units for that plan type, shall serve as the subject unit for appraisal. (Value differentials for other units shall then be determined by reference to the benchmark unit, and appraisers shall list on a separate schedule or on VA Form 26-1843b, Master Certificate of Reasonable Value Worksheet, values for all units under appraisal according to plan type.)

b. Horizontal Projects. Proposed horizontal condominium projects shall be appraised in the same manner as high rise and low rise projects (i.e., the market or comparison approach to value.)

C. Existing Projects

(1) Individual Resale Units (Sales by Other than Declarant)

a. Summary Report. All appraisals for individual resale purposes will be accompanied by a report in summary form covering a review of the entire project. The summary shall include, but not to be limited to, the following:

1. Description of the rights, conditions, limitations of the declaration and bylaws of the condominium association;
2. Information on the project (low rise, high rise, number of phases, buildings, and units, description of common elements or recreational facilities, parking, assessment fee (indicate if utilities are included), owner-occupancy ratio, i.e., tenant occupancy versus owner-occupancy);
3. Required repairs for common elements (if any);
4. Operating budget and reserves. The fee appraiser must review the organizational documents for the condominium along with the minutes of the last two meetings of the Council of Co-owners, a current financial statement, and the condominium budget. These documents reflect management requirements which, in the final analysis, affect the value of each unit. Fee appraisers shall comment on the adequacy of the monthly assessment and the reserve as related to current, prevailing market conditions for competitive projects. (The fee appraiser shall reflect a "fair" or "market" condominium assessment fee if the monthly assessment is inadequate.)
5. Site coverage (light, air, view, size and functional plan, type of heating, and other utilities).

b. Only the market approach to value will be used to determine the final estimate of reasonable value.

1. Primarily, the appraisal report for existing cases will contain comparable sales of other units within subject project or building provided they are resales by individuals other than the declarant. Comparable sales by a declarant within the same project will only be acceptable if marketability has been

established. Although value adjustments, based on amenities, as an example, may be minimal using comparable sales from within the subject project, final values may vary considerably because of location within the subject project. Comparable sales in other competitive projects are also acceptable; however, their use requires much discretion and judgment. Market data must be fully analyzed in respect to the many factors which affect condominium unit values.

2. Factors in the analysis of comparables must be predicated on:

- (a) A sufficient number of recent comparable sales;
- (b) A definitive interpretation of the contractual conditions and limitations involved in each comparable sale;
- (c) The rights and responsibilities of the owners in the comparable units; and
- (d) The location, square footage, and exposure in the structure along with other appropriate elements.

(2) Sales by Declarant

a. Individual Sale. Fee appraisers shall furnish a summary report and the URAR form in the same manner as required for individual resales. Comparables may not be selected from within the project unless marketability has been established.

b. Committee Procedure - Narrative Report. Fee appraisers will be furnished with one set of organizational documents for use in preparing a **full narrative report** which will include the same information as required by paragraph B for proposed projects, except, of course, the appraiser will be analyzing **established** budget and monthly assessment fees. In addition, any required repairs for common elements will be included.

c. Valuation of Unit(s)

1. High Rise and Low Rise Projects. The URAR shall be completed for each plan type, using the market or comparison approach to value to determine the final estimate of value. The same procedures for selection of benchmark units and recording of value differentials necessary in committee procedure for proposed construction will apply.

2. Horizontal Projects. Horizontal condominium projects shall be appraised in the same manner as high rise and low rise projects, i.e., the market or comparison approach to value.

(3) Condominium Conversions. The fee appraiser must be able to ascertain the degree to which the converted structure has been or will be rehabilitated for condominium use. The structure may have been or is proposed to be remodeled, renovated, rehabilitated, modernized, or "cosmetically" refurbished. The fee appraiser is required to explain in the summary or narrative appraisal report the type of work completed or

proposed to be completed in the condominium conversion being appraised. This is a prerequisite in declarant conversion projects. Needless to say, there is a vast value difference between an old structure being completely renovated versus "cosmetically" refurbished. The prescribed statements concerning the project's structural and mechanical systems and their conclusions may have an impact on the budget and financial statements in relation to reserves for replacements and their ultimate impact on the derivation of a valid value estimate. Since the prescribed statements are not required for individual, existing, spot resale conversion units, fee appraisers are to value such units in conformance with VA MPR's for existing construction.

(4) Repairs

a. The requirements of this paragraph are applicable to all existing condominium projects and units. Fee appraisers shall stipulate required repairs necessary for conformity with VA MPR's for existing construction, which are the same as those used for existing single-family construction with the exception of references relating to water, heating, ventilating, air conditioning, and sewer service which may be supplied from a central source. Repairs shall, as applicable, be required for:

1. Individual living units if necessary to meet MPR's, and

2. Common elements (those parts of projects in which all residents share an equal usage right, i.e., recreational facilities, hallways, rooftops, elevators, lobbies, etc.) Deficiencies in common elements will be noted, depreciated accordingly, and reflected in value unless they endanger the health and safety of occupants; in which case, they shall become required repairs to be noted as such by fee appraisers.

b. Fee appraisers shall give particular attention to termite or similar infestations and note such damage as may be relevant to the MPR's.

D. Endorsements on URAR Form. Fee appraisers shall endorse appraisal reports as indicated below.

(1) For Proposed Projects: "I (we) hereby certify that the information contained in the plans, specifications, and all condominium organizational documents have been employed in arriving at the estimate of reasonable value noted in the appraisal."

(2) For Existing Projects: "I (we) hereby certify that I (we) have reviewed all organizational documents and have carefully viewed all common elements in this project to arrive at the estimate of reasonable value noted in the appraisal report."

E. Completion of URAR Form. Appraisal reports will be completed in the usual manner except for special instructions applicable to condominium units as follows:

(1) PROPERTY ADDRESS. Verify address and add any additional information for adequate identification of subject property.

(2) LOT DIMENSIONS. Not Required.

(3) LEGAL DESCRIPTION AND TITLE LIMITATIONS. Verify information required by form with declaration or master deed and correct if necessary.

(4) REMARKS (Comments on any special assessments). Verify and comment on condominium assessment fee. Specify whether utilities are included in fee. If fee appears inadequate, state recommended fee.

(5) Photographs are to be attached according to VA's current procedures.

32. MANUFACTURED HOUSING ON PERMANENT FOUNDATIONS

A. Eligibility for Appraisal To be eligible for a VA loan term of 30 years, a manufactured home must be:

- (1) classified and taxed as real property
- (2) properly affixed to a permanent foundation
- (3) substantially conform with VA Minimum Property Requirements (MPRs)
- (4) conform with applicable building code and zoning requirements for real estate

B. Appraisal for Existing Construction

(1) Existing Construction.

- (a) If a manufactured home is affixed to a permanent foundation for one year or more prior to the appraisal request, or if the foundation for a manufactured home has been fully completed and the unit has been installed, the home will be appraised as “existing construction” (*even if it has never been occupied.*)

(b) In addition to the standard VA Minimum Property Requirements for existing construction, the manufactured home unit must be properly attached to a permanent foundation system which is constructed to withstand both supporting loads and wind-overturning loads, and is acceptable to the building authority having jurisdiction.

(c) If the fee appraiser has reasonable doubts about the acceptability of the foundation, a statement from a registered professional engineer is acceptable. Considering their cost, such statements should be required only when necessary and not just as a measure of liability protection for the fee appraiser.

C. Appraisal for Proposed Construction.

(1) When the foundation for a manufactured home has **not** been fully completed and the unit has not been installed, the home is appraised as “proposed construction.”

(2) In addition to the standard VA Minimum Property Requirements for proposed construction, the manufactured home unit must be properly attached to a permanent foundation system which is constructed to withstand both supporting loads and wind-overturning loads, and is acceptable to the building authority having jurisdiction.

The manufacturer’s installation instructions (used to determine the permissible points of support for vertical loads and points of attachment for the anchorage system used to resist horizontal and uplift forces) is an additional reference guide.

(4) The following construction exhibits are required for manufactures homes:

- Specifications for the foundation and a plot plan as required for conventional site-built homes
- in double-wide homes, a detail of the mating line piers, if applicable
- floor plan of the unit and exterior elevation drawings/photographs of the front and rear of the home, unless the unit is physically located on the site to be appraised or the appraiser has access to the unit on the dealer's lot
- in localities that require the underside of the unit to be completely enclosed, details of the perimeter enclosure that comply with those requirements
- any revisions needed to information provided in the manufacturer's technical installation manual in order to comply with local requirements
- construction exhibits for any other on-site improvements, such as decks, enclosed patios, garages and carports, etc. to be financed with the loan proceeds

(5) Foundation Requirements for Proposed Construction

The following tables list each foundation component and any related requirements:

Foundation Component	Requirement
Piers and Footings	<p>The load-bearing piers and footings must</p> <ul style="list-style-type: none"> • be of sufficient size and number to distribute the weight of the manufactured home evenly • be of materials acceptable to the building authority having jurisdiction, and • (where applicable) have footings which extend below the frost line.
Concrete Slabs or Continuous Footings	<p>Concrete slabs or continuous footings are acceptable in areas where their use is permitted by local building authorities. Steel anchorage devices must be cast into the concrete slab or footing and be capable of providing holding strength to resist horizontal and uplift forces.</p>
Anchoring Devices	<p>Anchoring devices, adequate to resist all loads, must</p> <ul style="list-style-type: none"> • be attached to the main frame of the unit by a bolted, welded, or mechanical connector • be placed at every supporting pier or as specified by the manufacturer, and • extend into the pier footing. <p>Anchoring straps or cables affixed to ground anchors, other than pier footings, will not meet this requirement.</p>
Hurricane Ties	<p>Properties located in Wind Zone II or III (wind speeds in excess of 80 mph) must be provided with diagonal hurricane ties which have been properly engineered for the location, and comply with the requirements of the building authority having jurisdiction.</p> <p>Important: The installation procedures included in both the manufacturer's foundation instructions and <i>NCS BCS Handbook A225.1</i> are not generally adequate for manufactured homes in these areas.</p>

Foundation Component	Requirement
Flexible Connections for Seismic Activity	<p>Properties located in areas of high seismic activity require special foundation designs to compensate for the effects of ground movement and to provide flexible connections between the foundation system and the manufactured home and all utility connections.</p> <p>Building authorities in these areas should be consulted for acceptable design features and special code requirements.</p>
Permanent Perimeter Enclosure	<p>A permanent perimeter enclosure (not “skirting”) with a continuous foundation-type footing will be required only when specifically required by the local building authority. When required, it must be</p> <ul style="list-style-type: none"> • designed to resist all forces which cause frost heave, soil settlement, or the shrinking or swelling of expansive soils without transmitting the movement or effects to the manufactured home, and • properly secured to the perimeter of the manufactured home to exclude entry of vermin and water, and provide ventilation and a means of access to the crawl space.
Moisture and Humidity Reduction	<p>The reduction of moisture and humidity in an enclosed under floor space is required. Except in arid regions with dry soil conditions, a continuous moisture barrier that covers the natural or excavated ground surface within the perimeter enclosure of the home must be installed.</p> <p>Provisions should also be made to prevent water from entering the crawl space and for the control and diversion of surface water away from the manufactured home.</p>

33. USED MANUFACTURED HOMES (NOT ON A PERMANENT FOUNDATION)

A. Origination. You may occasionally be requested to complete an origination appraisal of a used (or new unit over one year old) manufactured home which is **not** to be placed on a permanent foundation. The request will be submitted on a Request for Determination of Reasonable Value (Used Mobile Home), VA Form 26-8728. The appraisal report shall be completed on the Manufactured Home Appraisal Report, VA Form 26-8712. The appraisal shall include ascertaining the manufactured home unit's compliance with the VA minimum property requirements for used manufactured homes set forth in Paragraph 34 below. Each unit appraised must be carefully viewed inside and outside, including the underside and carriage, if any. The remaining physical life of the manufactured home, rather than economic life, must be estimated. The condition of the manufactured home and any appliances and furnishings included must be detailed. Extreme care must be exercised by fee and staff appraisers in valuing appliances and furnishings.

Frequent checks should be made with used furniture and appliance dealers to obtain current costs of such items. Two photographic views of the unit appraised will be attached to the appraisal report. The retail appraised value estimate recommended by the fee appraiser will be based on depreciated replacement costs, adjusted for observed condition, which may be ascertained from handbooks published for this purpose.

The appraiser must carefully analyze the unit for location and condition adjustments as published in the N.A.D.A. Mobile Home/Manufactured Housing Appraisal Guide, part 3, green pages.

B. Liquidation. VA Form 26-8712 will also be used for liquidation appraisals.

C. Appraisal of Mobile Home and Site. The appraisal report shall be completed on the Manufactured Home Appraisal Report, VA Form 26-8712, for the unit. The site will be appraised separately on the Uniform Residential Appraisal Report, Freddie Mac 70.

34. MINIMUM PROPERTY REQUIREMENTS FOR USED MOBILE HOMES

A. No loan will be guaranteed for the purchase of a used manufactured home unless the unit meets the following requirements:

(1) Each room designed for sleeping purposes, unless it has an exit door, must have at least one outside window which can be opened from the inside without the use of tools. The window must provide a clear opening of not less than 22 inches in least dimension and 5 square feet in area with the bottom of the opening not more than 4 feet above the floor.

(2) The unit must have a minimum of two exterior doors remotely located from each other and so arranged as to provide unobstructed exit.

(3) The unit must have an acceptable automatic smoke detector installed outside each sleeping area to warn occupants of the presence of any fire condition. The smoke detector and its installation shall comply with the requirements of ANSI/NFPA or Federal Manufactured Home Construction and Safety Standards, section 3280.208.

(4) Single-wide units must be a minimum of 10 feet wide and contain a minimum floor area of 400 square feet. Double-wide units must be a minimum of 20 feet wide when combined horizontally and contain a minimum floor area of 700 square feet. Expandable single-wide units do not qualify as double-wide regardless of total width when fully opened unless such units unfold along the entire length of the unit, the unit is a minimum of 20 feet wide and has a minimum floor area of 700 square feet.

(5) The unit must be so constructed as to be towed on its own chassis and undercarriage and/or independent undercarriage.

(6) The unit must contain living facilities for year-round occupancy by one family, including permanent provisions for heat, sleeping, cooking, and sanitation.

(7) The unit must be weathertight and habitable from the standpoint of safety, sanitation, and structural soundness.

B. For all manufactured home appraisals, itemize those repairs necessary to make the unit safe, sound, and sanitary as detailed above.

35. THE URAR - REQUIREMENTS SPECIFIC TO VA APPRAISALS

A. VA Loan Number should be placed in the upper right hand corner of the URAR

B. Neighborhood Section.

1. The results of the neighborhood analysis should enable the appraiser to define the area from

which to select comparables, to understand market preferences and price patterns, to reach conclusions about the highest and best use of the subject property site, to examine the effect of different locations within the neighborhood, to determine the influence of nearby land uses, and to identify any other value influences affecting the neighborhood.

2. Fee appraisers are required to report the existence or nonexistence of sales or financing concessions in the subject's market area and make a statement regarding their effect, if any, on the sales price of comparable homes. That statement must be made in this section or on an addendum.

3. Fee appraisers must provide the following General Market Information in the Neighborhood Section or an addendum.

a. Indicate to what extent the average marketing time (listing period) in subject's competing market area is expanding or contracting (e.g., in the last 3 months, the listing period in the subject's market area has decreased from 180 days to 90 days); and

b. Average listing price to sale price ratio (appraiser will use professional judgment to estimate the ratio if it cannot be determined from available data sources).

c. The review analysis of competitive listings and/or contract offerings is considered a basic part of the research involved in the appraisal process. It is essential in ensuring that the final value estimate is fully reflective of any trends (positive or negative) existing as of the effective date of the appraisal. This is especially important given the no-money-down feature of many VA loans. In all cases, fee appraisers should review and analyze this information to reconcile the closed sales data with current market conditions and to assist in making appropriate time adjustments.

d. Fee appraisers must make the following statement in the narrative area of the Neighborhood Section in all origination appraisal assignments:

"I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal and in the trending information reported in this section. If a trend is indicated, I have attached an addendum providing relevant competitive listing/contract offering data."

e. In any case in which information in the Neighborhood Section indicates there is a market transition, the fee appraiser must furnish an addendum providing a minimum of three competitive listings or contract offerings. A market transition may be considered to include: a change to an over supply/shortage of housing stock, marketing times/listing periods which have increased/decreased significantly, change in employment stability, increase in sales and financing concessions by sellers, among other indicators.

(2) Description of Improvements Section

Foundation - If there is evidence of settlement, the appraiser must advise whether or not, in his/her opinion, the settlement is minor, normal, and/or typical under the Comments section or on an attached sheet. If other than minor, normal, and/or typical, advise if you recommend rejection or a structural engineer's report to determine whether the foundation is sound.

(3) Comments Section

Fee appraisers must provide an itemized list in the conditions of improvements narrative area or on an attached addendum of those recommended repairs considered necessary for the property to comply with VA's Minimum Property Requirements (MPR's). The primary purpose in the VA MPR's for existing construction is to provide standards for use in the suitability of dwelling units which were completed prior to submission to VA. The objectives of these requirements are to provide a basis for determining that the property is structurally sound, safe, and sanitary and meets the standards considered desirable in a permanent home in the locality under consideration.

(4) Cost Approach Section

a. Fee appraisers may show their square-foot (size) calculation for the property in this section, or may indicate it on the perimeter building sketch (footprint) of the improvements which are required as an exhibit to the appraisal report.

b. The estimated site value must be completed in every case except for condominiums.

c. VA believes that in most situations, whether the subject is existing or proposed construction, buyers and sellers do not use the cost approach as a determinant of value, and that the cost approach does not render a highly reliable estimate of the market value for single family residential properties. The cost approach is considered most relevant in those cases involving unique properties. VA fee appraisers may choose not to report the cost approach. The appraiser must explain and support the exclusion of any of the usual valuation approaches, and it is VA's belief that this may be accomplished in a succinct statement in the comment area of the cost approach section.

d. The estimated remaining economic life of the property should be shown in this section.

(5) Reconciliation Section

a. Fee appraisers will check "as is" if the property is considered to meet VA MPRs with no repairs. Check the box labeled "subject to repairs, alterations, inspections, or conditions listed below" if MPR repairs are necessary. If repairs are recommended, the condition of appraisal narrative area of the reconciliation section must be noted with the statement "Subject to the MPR repairs noted in the comments section on the front of the URAR."

c. Fee appraisers must report both the date of the appraisal report and the effective date of the report, which is the date of the property inspection.

d. The URAR acknowledges the use of assistants and that, in some states, will still be viewed as complying with the intent of the Real Estate Appraisal Reform Amendments (Title XI) of FIRREA (Financial Institutions Reform, Recovery, and Enforcement Act) if an unlicensed or uncertified appraiser who is working as an employee or subcontractor performs a significant amount of the appraisal, as long as the appraisal report is signed by a licensed or certified supervisory appraiser. While the URAR acknowledges this activity, it is not acceptable to VA. Refer to paragraph 6 for instructions regarding the use of associate appraisers.

e. Fee appraisers must show their VA identification number after their signature on all copies of the URAR.

f. Fee appraisers must show the date the assignment was received just above their signature on all copies of the URAR.

36. LENDER APPRAISAL PROCESSING PROGRAM (LAPP)

A. Definition. For existing and proposed construction, many lenders have been delegated the authority to review appraisal reports and determine the reasonable value of properties. These cases are referred to as the Lender Appraisal Processing Program (LAPP). Such cases will be identified by the prefix LAP before the case number and the words "LENDER APPRAISAL PROCESSING PROGRAM (LAPP) CASE" will be shown in bold capital letters under the lender's name and address on the appraisal request form.

B. Cases Eligible Under LAP. All VA loans are eligible for LAP processing except liquidation appraisals, Master CRVs, and HUD appraisals converted to VA loans.

C. Appraisal Assignment. In all cases, including LAPP cases, VA will continue to assign fee appraisers on the rotational basis. **IN LAPP CASES, HOWEVER, THE FEE APPRAISER MUST FORWARD THE COMPLETED APPRAISAL REPORT DIRECTLY TO THE LAPP LENDER FOR REVIEW AND NOT VA.**

D. Assistance and Cooperation of Fee Appraiser

LAPP staff appraisal reviewers shall contact VA fee appraisers directly when the information or methodology contained in the appraisal report requires clarification, correction, or additional support in order to make a prudent decision on the reasonableness of the fee appraiser's market value estimate. VA fee appraisers are expected to be cooperative with lenders in addressing concerns with the content of their reports. Lenders are expected to take reasonable actions in mitigating difficulties encountered with fee appraisers' appraisal reports. VA should not be considered a "referee" between the lender and fee appraiser in addressing what are considered routine items. In any case in which the staff appraisal reviewer determines that there are substantive problems with the fee appraiser's report, which are not correctable after and through reasonable actions with the fee appraiser, the lender will forward the appraisal report to the VA Construction and Valuation Section along with a written report clearly outlining the difficulties encountered and specifically noting the contacts made with the fee appraiser and the dates. Similarly, fee appraisers should forward to the VA Construction and Valuation Section a written report clearly outlining any instances of substantive difficulties encountered with a lender's staff appraisal reviewer. The report should include a copy of any appraisal identified, the difficulties encountered, and specifically note the dates and contacts with the LAPP lender.

E. Revisions to Appraisal Reports

All changes, clarifications, corrections, or revisions by the fee appraiser to the appraisal report must be made in writing, signed, and dated. Any revised appraisal report form must be clearly marked in bold letters as such by

the fee appraiser. The fee appraiser may provide information to the lender by telephone as the situation demands; however, transmittal of the written documentation must follow immediately and must not be delayed. The lender is required to attach all such revisions to the appraisal report provided to VA. All revisions must be clearly explained by the fee appraiser and the basis adequate and reasonable by professional appraisal standards. Any real estate market or other valid data used in supporting the revision must be provided with the written transmittal. Any case in which it is found that this requirement is not followed, or that appraisal documentation is intentionally withheld, will constitute an unacceptable act and be considered a basis for administrative action against the fee appraiser and/or lender, as appropriate. Additionally, LAPP lenders have limited authority in the amount of increase they may process above the fee appraiser's originally established and submitted value estimate. That limitation is currently set by VA at 2 percent. Although revisions made by the fee appraiser are not limited, any increase which exceeds the lender's limitations must be forwarded to VA for processing. An unacceptable finding will be made in any instance when the fee appraisers recommendations are not based on valid data or accepted appraisal standards or were intended to "accommodate" or "meet" the sale price or mortgage amount.

F. Changes to Appraiser Instructions by the Lender

If the requester wishes to change the appraisal type (from LAPP to non-LAPP or vice versa) during your processing of the case, it is permissible. Simply document the contact person who instructed you about the change. It is not necessary to contact VA.

37. HELPFUL WEBSITES

VA Central Office-----<http://homeloans.va.gov>

VA Waco Loan Guaranty Home Page---- <http://www.vba.va.gov/ro/south/waco/lgy/index.htm>

Listing of All VA Office Websites----- http://www.vba.va.gov/ro/ro_inter.htm

National VA Listing of Approved

Condominiums and Builders-----<http://condopudbuilder.vba.va.gov>

VA Waco Appraiser Bulletin Board-----This is maintained graciously by our fee appraiser, Al Lewis, and it serves as a forum to exchange information about VA appraisals and the industry in general. To subscribe, contact Mr. Lewis at allewis@fastappraisers.net, and advise him you wish to subscribe.

VA Property Management (REO) Information and Listing-----www.vawaco.com

VA LIQUIDATION APPRAISAL ADDENDUM

VA Case No. _____

Address _____

SUBJECT PROPERTY

1. Repairs and physical inadequacies.

REPAIRS

ESTIMATED
COST

ESTIMATED
CONTRIBUTORY VALUE

TOTALS

\$

\$

2. VACANT OR OCCUPIED? _____

If vacant: (a) Secured or unsecured? (b) Give recommendations for draining the heating and plumbing systems, shutting off power lines, and locking doors and windows _____

If occupied:

A. Occupant's Name _____

B. Period of Occupancy _____

C. Lease Terms _____

D. Expiration Date _____

E. Monthly Rent _____

F. Dates of Payment _____

G. Paid to Whom _____

3. Competitive listings.

A clear, readable copy of an MLS or listing data source card for each listing is attached.

(continued on next page)

EXHIBIT 1

VA LIQUIDATION APPRAISAL ADDENDUM (Page 2)

How do listings compare to subject?

Listing #1 _____

Listing #2 _____

Listing #3 _____

4. Average listing time to sale. Approximate number of days _____

5. Average listing price to sales price ratio ____%

6. Interior Access.

A. Name of last known occupant _____

B. Telephone number of above _____

C. Dates and times called:

1. _____

2. _____

3. _____

D. Gained access to interior. YES or NO. (If no, document exact reason(s) for not gaining access.

E. Looked through windows. YES or NO.

F. Neighbor's Comments: _____

7. Additional Comments: _____

Appraiser's Signature

Date

CONTACT WITH DEPARTMENT OF VETERANS AFFAIRS

Below is a list of direct telephone numbers for VA staff appraisers and the areas supervised by each. Please contact any of us if you need assistance.

<u>Staff Appraiser</u>	<u>E-Mail</u>	<u>Telephone</u>	<u>Area</u>
Jim Cox	lgyjcox@vba.va.gov	(254) 299-9629	El Paso/Killeen
Steve Gregory	lgygreg@vba.va.gov	(254) 299-9637	Lubbock/Amarillo
Jerry Higginbotham	lgyjhigg2@vba.va.gov	(254) 299-9631	Collin/Denton/ Wichita Falls/ Abilene
John Langford	lgyjlang@vba.va.gov	(254) 299-9627	Specially Adapted Housing
Dennis Nutt	lgydnutt@vba.va.gov	(254) 299-9628	East Texas/Bryan/ Austin
Lita Petrich	lgyapetr@vba.va.gov	(254) 299-9626	Dallas/Midland/ Odessa/Coryell Co
Donna Salinas	lgydsali@vba.va.gov	(254) 299-9655	Fort Worth/Killeen
			Waco/Bell Co
Diane Rogers, Chief Appraiser	lgydroge@vba.va.gov	(254) 299-9603	
Pat Harrelson, Program Clerk	lgypharr@vba.va.gov	(254) 299-9634	
Terry Cantu, Program Clerk	lgytcant@vba.va.gov	(254) 299-9641	

Liquidation Appraisals. Borrowers in default who wish to contact the Loan Service and Claims Section should telephone (254) 299-9641 or toll-free at 1-800-827-1000.

The published telephone number for the Construction and Valuation Section is (254) 299-9634. E-mail inquiries for Construction and Valuation may be sent to **wacroca@vba.va.gov**.

The telephone number for facsimile transmission is (254) 299-9663 or 299-9611.

APPRAISAL AND INSPECTION FEES

1. Effective January 19, 2000, appraisal and inspection fees as indicated below are approved for areas under the jurisdiction of the Waco Regional Office.

2. Individual Appraisals:

a. Existing origination properties	\$325
b. Proposed origination properties	\$350
c. Liquidation appraisals	\$325
d. Condominium Units	\$375
e. Multi-Family:	
Two-Family	\$375
Three-Family	\$425
Four-Family	\$475
f. Miscellaneous appraisals for partial release and other unique, complex, large acreage, or estate-type property	Fee established by VA upon request

3. Committee Appraisals (MCRV):

a. The fee is computed for each submission on the following basis:	
Each basic plan type (proposed)	\$350
Each lot	\$ 10
b. Minimum fee	\$500

4. Used Manufactured Homes or Sites:

Single-wide units	\$145
Double-wide units	\$145
Manufactured home site	\$150

5. Repair inspection fee	\$ 65
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6. Mileage: No charge for mileage will be added to the above appraisal unless specifically authorized by the Chief of Construction and Valuation Section. Mileage charge may not exceed 31.5 cents per mile when permissible.

